**Revenue Commissioner.—**

Nothing except provision of labour according to rules. I may, however, say that there need be no apprehension. It is only those who have encroached that will have to pay. Moreover, encroachments will not be taken away from them, but they will be confirmed subject to certain conditions specified in the Code.

**Mr. Basappa Chetty.—**

If only certain estates are surveyed, where is the need for a special establishment? Cannot the District Surveyor do it?

**Survey Superintendent.—**

He has other work.

MESSRS. K. T. SATYANARAYANA SETTY, N. M. SIVALINGAPPAIYA and K. THIMMEGOWDA (Kadur Taluk), G. KARIYANNA (Minority Interest), HOSAKOPPA KRISHNA RAO and M. S. DYAVEGOWDA (Koppa Taluk).—

*Q.*—36. Will the Government be pleased to state—

(*a*) To what extent the fraud in the sandal oil sales has occurred ?

(*b*) How long it is since the fraud occurred ?

(*c*) Whether it is a fact that Mr. N. Madhava Rao will be deputed to England to investigate into the said fraud ?

(*d*) What is the cost of his tour to England ?

(*e*) Whether the Government have in view any other purpose in deputing Mr. N. Mahadva Rao to England?

(*f*) Whether the Government will lay on the table a statement of details of the fraud so far known to them ?

SECRETARY TO GOVERNMENT, DEVELOPMENT DEPARTMENT.—

*A.*—36. (*a*) About £65,000.

(*b*) Fraudulent transactions commenced in 1923 and were going on since then till detection.

(*c*), (*d*), and (*e*) He has been deputed to England to see to the recovery of the amounts due to the Government and also for suggesting arrangements for the sale of sandal oil in future.

He will be given first class passage for both journeys

and daily allowance at £2 per day. Actual cost can be given only after his return.

(*f*) No details can be furnished at present.

*Supplementary Questions and Answers.*

**Mr. Satyanarayana Chetty.—**

With reference to (*b*) why were not the fraudulent transactions that had been going on since 1923 detected in time?

**First Member of Council.—**

The accounts submitted were incorrect. It was only recently that our suspicion was roused; and an investigation was ordered and it led to the detection of the fraud.

**Mr. Satyanarayana Chetty.—**

Without details how could the fraud have been detected?

**First Member of Council.—**

Suspicion was felt and the enquiry led to the discovery of the fraud.

**Mr. Satyanarayana Chetty.—**

Was not the Member of Council in charge of the portfolio aware of this?

**First Member of Council.—**

No, the fraud was found out only recently.

**Mr. Satyanarayana Chetty.—**

Will it be possible at least to furnish the details later on?

**First Member of Council.—**

Yes.

**Mr. Basappa Setty.—**

Was not the Director of Sandal Oil Factories taking interest in the sale of oil? If so, was he not aware of the fraud?

**First Member of Council.—**

The accounts showed that the amounts were due from customers. When doubts were felt as to the correctness of the accounts, an investigation was ordered.

**Mr. Basappa Setty** —

Was there no audit till now?

**First Member of Council.**—

There was audit but it was of the accounts furnished by the agents which were wrong and this was only recently found out.

**Mr Basappa Setty.** –

How was it found out since?

**First Member of Council.**—

Suspicion was felt and an investigation was made.

**Mr. Basappa Setty.**—

Who detected it?

**First Member of Council** —

Government.

**Mr. N. Y. Pissay.**—

What was the limit of oil sent for sale ?

**First Member of Council.**—

There was no limit.

**Mr. N. Y. Pissay.**—

According to the terms of contract were you not entitled to know how much was due from the agents periodically ?

**First Member of Council.**—

Yes, but it was shown as due from customers.

**Mr. N. Y. Pissay.**—

Who is responsible for this ?

**First Member of Council.**—

The matter is under investigation.

**Mr. H. B. Gundappa.**—

Did not the Director of Sandal Oil Factories keep Government informed of it?

**First Member of Council.—**

He did not know it himself on account of the wrong accounts furnished by the agents.

**Mr. C. Subba Rao.—**

Would not these replies prejudice the proceedings before the court?

**First Member of Council.—**

These particular points are not before the Court.

**Mr. Bandiah.—**

Is there any possibility of recovering the money ?

**First Member of Council.—**

The matter is under investigation.

**Mr. Bandiah.—**

What is the cost of Mr. N. Madhava Rao's deputation to England?

**First Member of Council.—**

It will be known after the deputation is over.

**Mr. S. N. M. Razvi.—**

Who was the Member of Council in charge of the Sandal Oil Factories in 1923?

**First Member of Council.—**

I cannot say now.

**Mr. Razvi. —**

Will you hold the several officers responsible for the loss?

**First Member of Council —**

It depends upon how far they can be held responsible.

**Mr. Nilgiri Sanjeeviah —**

Was there any provision made in the agreement that money should be paid at a prescribed period after delivery?

**First Member of Council.—**

Yes.

**Mr. M. C. Linge Gowda.—**

Will there be any departmental inquiry into the matter?

**First Member of Council.—**

Yes.

**Mr. M. C. Linge Gowda.—**

How long will it take?

**First Member of Council.—**

It is not possible to say.

**Mr. H. B. Gundappa.—**

Does Mr. Madhava Rao possess the qualifications required for the work on which he has been deputed?

**First Member of Council.—**

Yes.

**Mr. H. B. Gundappa.—**

Has he qualification in accountancy? If so, what are they?

**First Member of Council.—**

Yes. He has held responsible positions in a large commercial concern.

**Mr. H. B. Gundappa.—**

Perhaps, it would have been bettter if the Director of Industries and Commerce had been sent?

**First Member of Council.—**

Government did not think so.

**Mr. H. B. Gundappa.—**

Was any other qualified man appointed in England to look into the accounts?

**First Member of Council.—**

Yes.

**Mr. Gurumurthiacharya.—**

Has not the Government attached the properties of the persons involved?

**First Member of Council.—**

The necessary action has been taken.

**Mr. Gurumurthiacharya.—**

If the properties have not been so attached, what is the reason?

**First Member of Council.—**

The necessary action has been taken.

**Mr. Gurumurthiacharya.—**

Have you taken any security from the agents in America and Europe?

**First Member of Council.—**

No.

**Mr. Gurumurthiacharya.—**

You have not stated who is responsible for the frauds.

**First Member of Council.—**

That point is under investigation.

**Mr. Gurumurthiacharya.—**

How can Mr. Madhava Rao recover the money lost to Government?

**First Member of Council.—**

The best attempt possible for recovering the amount will be made.

**Mr. Gurumurthiacharya.—**

By what means is he going to recover the amount?

**First Member of Council.—**

By all means possible.

**Mr. Gurumurthiacharya.—**

It is also stated that Mr. Madhava Rao has been asked to suggest arrangements for the sale of sandal oil in future. Considering the simple nature of the matter was it necessary to send a high officer of the State for the purpose? In any case, one conversant with account matters should have been deputed.

**Mr. S. Venkatesiah.—**

Have the accounts of the sub-agents ever been audited ?

**First Member of Council.—**

I don't think it is advisable to go into details now. The connected case is now sub-judice.

**Mr. Puttuswamy.—**

Do the sub-agents send their accounts direct?

**First Member of Council.—**

No. The agents send them.

MESSRS. K. T. SATYANARAYANA SEITY, N. M. SIVALINGAPPAIYA and K. THIMMEGOWDA (Kadur Taluk), G. KARIYANNA (Minority Interest), HOSAKOPPA KRISHNA RAO and M. S. DYAVEGOWDA (Koppa Taluk).

*Q.*—37. Will the Government be pleased to state—

(*a*) Whether it has been brought to their notice that the cost of petrol in Mysore has been increased by two annas per gallon as a result of the increase of the same in British India ?

(*b*) Whether they are aware that the money collected in the shape of extra cost on petrol will be utilised for the maintenance of roads in British India ?

(*c*) Whether the British Government have agreed to pay to the Mysore Durbar what is collected in our State ?

(*d*) Whether the Government have estimated how much this extra cost on petrol collected in the Mysore State amounts to ?

SECRETARY TO GOVERNMENT, LAW DEPARTMENT.—

*A.*—(*a*) Yes.

(*b*) Yes.

(*c*) The matter is engaging attention. The Government have constituted a Committee to go into the several questions arising out of the levy of this surcharge on petrol by the Government of India and their proposals are awaited.

(*d*) About a lakh and a half rupees.